

**Idaho State Board of Education**  
**GOVERNING POLICIES AND PROCEDURES**

**SECTION: V. FINANCIAL AFFAIRS**

**Subsection: C. Spending Authority**

**April 2002**

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**C. Spending Authority**

**1. Monies Subject to Appropriation**

**a. Legal Spending Authority Required**

- (1) No institution, school or agency may expend, encumber, or otherwise use monies subject to appropriation without a specific appropriation or other spending authority under Idaho law (hereinafter "spending authority").
- (2) No institution, school or agency may expend, encumber, or otherwise use monies other than for the purposes and in the amounts authorized pursuant to the spending authority.
- (3) Any expenditure, encumbrance, or other use of monies without spending authority, in excess of the spending authority, or contrary to the purposes authorized by the spending authority, is void.
- (4) Each institution, school and agency is responsible for determining that spending authority exists to expend, encumber, or otherwise use monies under its control.
- (5) Any person expending, encumbering, or otherwise using such monies other than pursuant to spending authority is subject to statutory penalties and disciplinary action. (*See, for example*, Sections 18-5701, 18-5702, and 59-1013, Idaho Code.)

**b. General Account and Special Accounts**

- (1) All General Account monies are subject to annual or continuing appropriations by the Idaho Legislature.
- (2) Certain special account monies, such as direct federal appropriations, state endowment income and trust accounts, and miscellaneous receipts, are the subject of continuing or perpetual spending authority. (*See, for example*, Sections 67-3608 and 67-3611, Idaho Code (miscellaneous receipts); Section 67-3607 and Section 33-3301 *et seq.*, Sections 33-2909 and 33-2910, Sections 33-2913 and 33-2914, Sections 33-2911 and 33-2912, Sections 66-1106 and 66-1107, Idaho Code (state endowment income and trust accounts).)

**c. University of Idaho**

The University of Idaho and the Board of Regents of the University of Idaho, by virtue of their constitutional status and unique standing under federal or state law, may expend certain monies which are not General Account monies without the overall supervision

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and control of any other branch, department, office, or board of Idaho state government. (See, for example, *State ex rel. Black v. State Board of Education*, 33 Idaho 415 (1921).)

**d. Board Authorization Always Required**

Irrespective of any other spending authority, the institutions, school and agencies under the governance of the Board must not expend, encumber, or otherwise use monies under their direct control without the specific or general approval by the State Board of Education or the Board of Regents of the University of Idaho and only in such amounts and for such purposes as are so authorized.

**e. Non-cognizable Funds**

(1) Non-cognizable funds are those funds not identified at the time of appropriations to the institutions, school and agencies. Non-cognizable funds are generally those not reasonably foreseeable by the institution, school or agency, or, if foreseeable in source, not reasonably foreseeable in amount. (Cognizable funds should be accurately reflected in projected budgets of the institutions, school and agencies.)

(2) As a general rule, non-cognizable funds may not be expended without the prior approval by the Division of Financial Management or the State Board of Examiners, pursuant to Section 67-3516(2), Idaho Code.

(3) Under certain circumstances, the University of Idaho and the Board of Regents of the University of Idaho may expend non-cognizable funds without prior approval by the Division of Financial Management or State Board of Examiners. However, Board approval is always necessary to expend non-cognizable funds.

**2. Monies Not Subject to Appropriation**

a. Monies under the direct control of the institutions, school and agencies by virtue of auxiliary enterprises, local service operations, federal, state, and private gifts, and grants and contracts, may be expended in such amounts and for such purposes as authorized by the Board without express legislative spending authority.

b. Institutional agency funds may be expended in accordance with the provision and controls of the depositor and are not subject to Board authorization.